



DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

37 CFR Part 1

[Docket No.: PTO-C-2017-0033]

RIN 0651-AD24

Removal of Certain Rules of Patent Practice

AGENCY: United States Patent and Trademark Office, Department of Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (USPTO or Office) revises the rules of practice in patent cases to eliminate the requirement for original handwritten signatures on certain correspondence with the Office of Enrollment and Discipline (OED) and certain payments made to the USPTO by credit card.

DATES: This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: For questions on this rule, please contact Howie Reitz, Staff Attorney, Office of Enrollment and Discipline, USPTO, at 571-272-4097.

SUPPLEMENTARY INFORMATION:

I. Background

To support regulatory reform efforts, the USPTO assembled a Working Group on Regulatory Reform (Working Group)—consisting of subject-matter experts from each of the business units that implement the USPTO’s regulations—to consider, review, and recommend ways that the regulations could be improved, revised, and streamlined. The Working Group reviewed existing regulations, both discretionary and required by statute or judicial order. The USPTO also solicited comments from stakeholders through a webpage established to provide

information on the USPTO's regulatory reform efforts, and through the Department of Commerce's Federal Register Notice titled "Impact of Federal Regulations on Domestic Manufacturing" (82 FR 12786, Mar. 7, 2017), which addressed the impact of regulatory burdens on domestic manufacturing. These efforts led to the selection of certain regulations related to the requirement for an original handwritten signature for certain correspondence with the Office of Enrollment and Discipline (OED) for removal based on the USPTO's assessment that they were not needed and/or that elimination could improve the USPTO's body of regulations.

In addition, as part of the USPTO's COVID-19 relief efforts, the USPTO waived the requirement for an original handwritten signature for certain correspondence with OED and certain payments by credit card in an announcement made on March 19, 2020, and in a notice published in the Federal Register on March 30, 2020 (85 FR 17502). In that announcement, the USPTO determined that the effects of COVID-19 were an "extraordinary situation" within the meaning of 37 CFR §§ 1.183 and 2.146(a)(5) for affected persons doing business before the Office that warranted a waiver of the original handwritten signature requirements of § 1.4(e).

II. Regulations for Removal

In this final rule, the USPTO finalizes those provisions in its proposed rule published on November 25, 2019 (84 FR 64800) related to the removal of the requirement for original handwritten signatures in dark ink on correspondence relating to registration to practice before the Office and other matters within the purview of the OED, which achieves the objective of making the USPTO's regulations more effective, while enabling the USPTO to fulfill its mission-related goals.

Although the Office proposed to remove only the original handwritten signature requirement found in 37 CFR 1.4(e)(1), relating to correspondence with the OED, in this final rule, the Office also eliminates the original handwritten signature requirement found in § 1.4(e)(2), related to payments by credit card when the payment is not being made via the Office's electronic filing systems. The removal of § 1.4(e)(2) makes permanent the USPTO's waiver of the original handwritten signature requirement in payments by credit card announced on March 19, 2020, and published in the Federal Register on March 30, 2020 (85 FR 17502). Elimination of the entirety of § 1.4(e) allows, for example, the use of facsimile transmissions and S-signatures in enrollment and disciplinary matters before the OED, in addition to the use of facsimile transmissions and S-signatures in payments by credit card. Elimination of this section also facilitates the implementation of an electronic filing system within the OED. As a conforming change, this final rule also removes § 1.6(d)(1) to eliminate an obsolete cross reference to § 1.4(e).

The USPTO intends to address its proposed revisions to its regulations governing requests for Presidential Proclamations under the Semiconductor Chip Protection Act (SCPA), as published in its proposed rule on November 25, 2019 (84 FR 64800), in a separate notice.

III. Proposed Rule: Comments and Responses

The USPTO published a proposed rule on November 25, 2019 (84 FR 64800), soliciting comments on the proposed amendments. The USPTO received no comments in response to the proposed rule.

IV. Discussion of Rule Changes

This final rule removes and reserves 37 CFR 1.4(e), which sets forth certain correspondence and signature requirements. As a corresponding change, this final rule removes and reserves

§ 1.6(d)(1) to eliminate an obsolete cross reference to § 1.4(e).

Rulemaking Considerations:

A. Administrative Procedure Act: The changes in this rulemaking involve rules of agency practice and procedure, and/or interpretive rules. *See Perez v. Mortg. Bankers Ass'n*, 135 S. Ct. 1199, 1204 (2015) (Interpretive rules “advise the public of the agency’s construction of the statutes and rules which it administers.” (citation and internal quotation marks omitted)); *Nat’l Org. of Veterans’ Advocates v. Sec’y of Veterans Affairs*, 260 F.3d 1365, 1375 (Fed. Cir. 2001) (rule that clarifies that the interpretation of a statute is interpretive); *Bachow Commc’ns Inc. v. FCC*, 237 F.3d 683, 690 (D.C. Cir. 2001) (Rules governing an application process are procedural under the Administrative Procedure Act.); *Inova Alexandria Hosp. v. Shalala*, 244 F.3d 342, 350 (4th Cir. 2001) (Rules for handling appeals were procedural where they did not change the substantive standard for reviewing claims.).

Accordingly, prior notice and opportunity for public comment for the changes in this rulemaking were not required pursuant to 5 U.S.C. 553(b) or (c), or any other law. *See Perez*, 135 S. Ct. at 1206 (Notice-and-comment procedures are required neither when an agency “issue[s] an initial interpretive rule” nor “when it amends or repeals that interpretive rule.”); *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336-37 (Fed. Cir. 2008) (stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), do not require notice-and-comment rulemaking for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice” (quoting 5 U.S.C. 553(b)(A))). However, to benefit from the public’s input, the Office chose to seek public comment on the removal of its regulations governing requests for Presidential Proclamations under the SCPA and on the elimination of the requirement for original handwritten signatures on certain correspondence with the OED before implementing

the rule.

In addition, the Office, pursuant to the authority at 5 U.S.C. 553(b)(B), finds good cause to remove regulations requiring that certain payments be made to the USPTO by credit card, found in 37 CFR 1.4(e)(2) and § 1.6(d)(1), without prior notice and an opportunity for public comment, as such procedures would be contrary to the public interest. The public does not require additional time to conform its conduct, as the changes in this final rule do not add any new requirements, and the elimination of the provisions in this final rule provides a modest benefit to impacted parties by making permanent the use of alternative signature methods in certain payments by credit card.

Furthermore, the Office finds good cause to waive the 30-day delayed effectiveness period for this final rule, as provided by 5 U.S.C. 553(d)(3), because such delay would be contrary to the public interest, as this final rule provides a modest benefit to impacted parties by making permanent the use of alternative signature methods in certain payments by credit card.

B. Regulatory Flexibility Act: For the reasons set forth herein, the Senior Counsel for Regulatory and Legislative Affairs, Office of General Law, of the USPTO has certified to the Chief Counsel for Advocacy of the Small Business Administration that changes in this final rule will not have a significant economic impact on a substantial number of small entities. *See* 5 U.S.C. 605(b).

This final rule removes 37 CFR 1.4(e), which required original handwritten signatures in dark ink on correspondence relating to registration to practice before the Office and other matters in the purview of the OED, and in payments by credit card where the payment is not being made via the Office's electronic filing systems. Elimination of this section allows for the use

of facsimile transmissions and S-signatures in enrollment and disciplinary matters before the OED and in the payment of fees by credit card, thereby providing a modest benefit to impacted parties. As a conforming change, this final rule also removes § 1.6(d)(1) to eliminate an obsolete cross reference to § 1.4(e). For these reasons, this rulemaking will not have a significant economic impact on a substantial number of small entities.

C. Executive Order 12866 (Regulatory Planning and Review): This rulemaking has been determined to be not significant for purposes of Executive Order 12866.

D. Executive Order 13563 (Improving Regulation and Regulatory Review): The Office has complied with Executive Order 13563. Specifically, the Office has, to the extent feasible and applicable: (1) made a reasoned determination that the benefits justify the costs of the rule; (2) tailored the rule to impose the least burden on society consistent with obtaining the regulatory objectives; (3) selected a regulatory approach that maximizes net benefits; (4) specified performance objectives; (5) identified and assessed available alternatives; (6) involved the public in an open exchange of information and perspectives among experts in relevant disciplines, affected stakeholders in the private sector, and the public as a whole, and provided online access to the rulemaking docket; (7) attempted to promote coordination, simplification, and harmonization across government agencies and identified goals designed to promote innovation; (8) considered approaches that reduce burdens and maintain flexibility and freedom of choice for the public; and (9) ensured the objectivity of scientific and technological information and processes.

E. Executive Order 13132 (Federalism): This rulemaking does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

F. Executive Order 13175 (Tribal Consultation): This rulemaking will not: (1) have substantial direct effects on one or more Indian tribes, (2) impose substantial direct compliance costs on Indian tribal governments, or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

G. Executive Order 13211 (Energy Effects): This rulemaking is not a significant energy action under Executive Order 13211 because this rulemaking is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

H. Executive Order 12988 (Civil Justice Reform): This rulemaking meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden, as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

I. Executive Order 13045 (Protection of Children): This rulemaking does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

J. Executive Order 12630 (Taking of Private Property): This rulemaking will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

K. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.), prior to

issuing any final rule, the USPTO will submit a report containing the final rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the Government Accountability Office. The changes in this rulemaking are not expected to result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rulemaking is not expected to result in a “major rule,” as defined in 5 U.S.C. 804(2).

L. Unfunded Mandates Reform Act of 1995: The changes set forth in this rulemaking do not involve a Federal intergovernmental mandate that will result in the expenditure by State, local, and tribal governments, in the aggregate, of \$100 million (as adjusted) or more in any one year, or a Federal private sector mandate that will result in the expenditure by the private sector of \$100 million (as adjusted) or more in any one year, and will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. *See* 2 U.S.C. 1501 et seq.

M. National Environmental Policy Act of 1969: This rulemaking will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1969. *See* 42 U.S.C. 4321 et seq.

N. National Technology Transfer and Advancement Act of 1995: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are not applicable because this rulemaking does not contain provisions that involve the use of technical standards.

O. Paperwork Reduction Act of 1995: The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires that the Office consider the impact of paperwork and other information collection burdens imposed on the public. This rulemaking involves information collections that are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3549). Removal of the requirement for original handwritten signatures in dark ink does not impact the current OMB approval of OMB control numbers 0651-0012, 0651-0017, and 0651-0043.

Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with, a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information has a currently valid OMB control number.

P. E-Government Act Compliance: The USPTO is committed to compliance with the E-Government Act to promote the use of the Internet and other information technologies, to provide increased opportunities for citizen access to Government information and services, and for other purposes.

List of Subjects

37 CFR part 1

Administrative practice and procedure, Biologics, Courts, Freedom of information, Inventions and patents, Reporting and recordkeeping requirements, Small businesses.

For the reasons stated in the preamble, the USPTO amends chapter 1 of title 37 as follows:

PART 1—RULES OF PRACTICE IN PATENT CASES

1. The authority citation for part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

§ 1.4 [Amended]

2. Section 1.4 is amended by removing and reserving paragraph (e).

§ 1.6 [Amended]

3. Section 1.6 is amended by removing and reserving paragraph (d)(1).

Andrew Hirshfeld,

Commissioner for Patents, Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

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